



“Exceeding Your Goals”

“Strategic View of Strategic Sourcing”

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SBA Office of Government Contracting,
Area IV, Chicago

**“SBA 1st First Wednesday Virtual
Learning 2016”**

sbalearning@sba.gov

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5/26/17

04:33:40

Contracting

[\(<https://www.sba.gov/content/pcr-area-directors>\)](https://www.sba.gov/content/pcr-area-directors)

- | | |
|--------------------------------------|---------------|
| 1. Size protests | FAR Part 19.3 |
| 2. SBA staff | FAR Part 19.4 |
| 3. Certificates of Competency | FAR Part 19.6 |
| 4. Subcontracting plans | FAR Part 19.7 |

Reminders:

- 1. Use the correct NAICS codes for Women-Owned Small Business set-asides.** Check the link www.sba.gov/wosb.
SBA approves JVs for 8(a) only.
- 2. SBA approves joint ventures of 8(a) firms only. Do not ask any other small business JVs for evidence of SBA approval.**

1. Questions answered during the final 10 minutes.
Or contact sbalearning@sba.gov any time.
2. Technical problems? Contact the moderator with a note or call AT&T Connect Support at 1-888-796-6118.
3. Page numbers stated for those working of hard copies of the program.
4. We cover the “**SBA Quick Reference**” as time allows.
5. Participation is limited to federal acquisition and related staff, SBA, and **Procurement Technical**

Association of Procurement Technical Assistance Centers - Beta site for hosting past “1st Wednesday” programming

- Check this link for past programs:

[http://
www.aptac-us.org/for-contracting-officers- sba-
webinar-library/](http://www.aptac-us.org/for-contracting-officers-sba-webinar-library/)

- Contracting officer resources: “How PTACs partner with federal agencies”:

<http://www.aptac-us.org/federal-partners/>

Caution – Do not recommend fee for service firms for SAM registration

1. There are firms that offer fee for services to assist small businesses in a variety of ways. Registration in SAM, proposal preparations, certifications (not authorized by SBA) assistance in getting on GSA Federal Supply Schedules and so forth.
2. No government official should be promoting any individual business' services or products as this implies endorsement of one firm over all others. The government has to remain impartial. If you come across something that you think is great, encourage that firm to market itself, but do not market on their behalf.
3. The government, through the Department of Defense established the **Procurement Technical Assistance Program** (PTAP) who have centers throughout the country that do provide this and many other services – most of which are at no cost to a firm.”

1102 FIRST WEDNESDAY VIRTUAL LEARNING SERIES 2016”

9:30 to 10:30 Central Time

FY 2016		Topic	Presenters	SBA Area
1	October 7, 2015	8(a) Business Development	Jackqueline Robinson-Burnette	HDQTRS
2	November 4, 2015	Women-Owned Small Business	Ken Silvia	III
3	December 2, 2015	SBA Surveillance Reviews 2016	Valerie Coleman	V
4	January 6, 2016	Consolidation/Bundling	Jan Kaiser	IV
5	February 3, 2016	SDVOSB	Keith Waye	I
6	March 2, 2016	Strategic Sourcing	Tom Krusemark	IV
7	April 6, 2016	Market Research: Dynamic Small Bus Search	Valerie Coleman	V
8	May 4, 2016	HUBZones	Mariana Pardo	HDQTRS
9	June 1, 2016	SBA Size Standards	David Gordon	IV
10	July 13, 2016	Nonmanufacturer Rule	Janice Nietes	VI
11	August 3, 2016	SBA Subcontracting Assistance (CMRS)	Stephanie Lewis	V
12	August 17, 2016	Special TBD: Limitations on Subcontracting	TBD	HDQTRS

One Continuous Learning Point

❖ **Self-service:** Fill in your name on the certificate slide and save.

❖ **Phoning in only?** Send an email immediately to sbalearning@sba.gov to verify your participation. If you listen in groups, send emails for participants in an excel document.

❖ **Post program email. This contains** a time sensitive .wmv recording, a transcript of the program, along with another copy of the program PowerPoint.

❖ **Welcome and thank-you for your support of small business.**



U.S. Small Business Administration

“SBA 1st Wednesday Virtual Learning 2016”

This Certificate is awarded to

For completion of

“Strategic View of Strategic Sourcing”

This training seminar may be credited towards “Continuous Learning Points” as described in OFPP Policy Letter 05-01. Recommendation of One CLP.

A black and white line drawing of a signature, which appears to read "D. Johnson".

3/2/16

Dwight A. Johnson

Procurement Center Representative
SBA Office of Government Contracting, Omaha

date

Overview

- Concepts
- Process
- Tools
- Future of Strategic Sourcing

The 'Why' Behind Strategic Sourcing

- Program direction of DOE activities
- Budgets are Significantly Reduced
- Strategic Sourcing is a bridging tool
- Budgeting decisions must coincide with anticipation of mission fluctuations

Acquisition Policies Aimed at Procurement Efficiency

- 2005 Office of Management and Budget Policy letter-Each agency asked to develop strategy sourcing policies to include a comprehensive sourcing plan reportable to OFPP
- 2007 Defense Procurement and Acquisition Policy (DPAP) creates the Strategic Sourcing Office to: Conduct a comprehensive spend analysis
- 2009 OMB Directive entitled “Improving Government Acquisition” Mandates agencies to decrease procurement by year to year.

Acquisition Policies Aimed at Procurement Efficiency (Contd)

- 2014 OFPP memo 'Transforming the Marketplace: Simplifying Federal Procurement:
- Buying as One through Category Management
- Growing talent within agencies to drive innovation
- Building a strong foundation for vendor relationships

OFPP Definition of Strategic Sourcing

- A structured and collaborative process of analyzing organization's spend and using this information to make business decisions about acquiring commodities and services more efficiently and effectively

- Inputs include
 - Number of Transactions
 - Variances in Prices Paid
 - Purchasing Locations
 - Common supply Market
 - Industry Economics
 - Process Efficiencies
 - Similarity in Materials

Strategic Sourcing Steps

- Develop structured collaborative approach between sourcing team and program management office: Involves intensive stakeholder analysis and development of project management plan
- Perform strategy review to include spend analysis, requirements forecast, and desired outcomes
- Perform marketing intelligence to produce a market research report
- Refine requirements definition to include devising a requirements roadmap and performance of risk analysis

Strategic Sourcing Steps (Cont)

- Develop sourcing strategy to include business case analysis
- Execute strategy by devising a source selection and performance plan
- Continually assess performance management and evaluation functions and enhance supply chain relationships

Strategic Sourcing Solutions





- Process improvement
- Demand management
- Acquisition
- Policy implementation

OFPP Strategic Sourcing Definition


Encompasses Rate, Process and Demand

- **Rate**-Leverage buying power, enhance bargaining power, reduce pricing, realize quality or performance improvement
- **Process**-Improve efficiencies and develop improvements to reduce internal costs; reduce transactions (workloads) by creating ordering efficiencies and standardizing requirements.
- **Demand**-Manage consumption and change product mix to coincide with recurring requirements
- Rate savings short-term; Process and Demand long term.

Strategic Sourcing Associational Relationships

- **Rate and Process Savings**

- **Addresses all levers for savings**
- **One-time project**

- **Continuous Process**
- **A Contracting Activity**

- **Functional Expertise lead/Owned**
- **FAR driven market research**

- **Robust Market Intel- Supply & Buy**

Strategic Sourcing Savings Drivers

Savings Driver			\$\$ Value
Enhanced Competition	x	x	M
Economies of Scale	x	x	H
Fewer Transactions	x	x	L
Decreased Process Time	x	x	L
Standardization	x	x	M
Strategic Supplier Management		x	M
Supplier Integration		x	H
Market Intelligence		x	H
Optimization of Consumption		x	H
Multi-functional Effort		x	H
Requirement Vetting		x	H

Step 1 - Strategic Sourcing Teaming Arrangements

- Identify a multi-functional core team
 - Project Manager
 - Contracting Officer
 - Contracting Specialists
 - Engage staff support as early as possible (awareness)
 - Small business

Step 1 - Strategic Sourcing Teaming Arrangements (Contd)

- **Identify:**
 - Key stakeholders
 - Subject matter experts (SMEs)

- **Perform stakeholder analysis**

Step 1 - Strategic Sourcing Teaming Arrangements (Contd)

Engage stakeholders

- Create Ownership
 - Functional or requirements owner
 - SMEs participate throughout development

- Create Awareness through Strategic Communications

Step 1 - Strategic Sourcing Teaming Arrangements (cont.)

- Communication strategy developed early in process
 - Key messages
 - Key stakeholders
 - Delivery/method
- Develop proficiency
 - Provide training and tools
- Sustain knowledge thru continued communications

Sourcing Teaming Continuity

Keeping leadership well informed of impacts and mindful of effects on small business industrial base

Specific communication strategies

- Development through Implementation:
 - Regular conference calls/meetings with SMEs (frequency depends on process; recommend monthly at minimum)
 - Strategic Sourcing Reviews

Step 2-Current Strategy Review

□ **Identify:**

- Current prices
- Current process of acquisition
- Current demand patterns
- Historical requirements

Step 2-Current Strategy Review, (cont.)

- Research current strategies throughout DOE
- Analyze Strengths, Weaknesses, Opportunities, and Threats
- Consolidate findings
- Review and update risks and project schedules

Step 3-Market Intelligence, (cont.)

Market intelligence is the information relevant to a company's markets, gathered and analyzed specifically for the purpose of accurate and confident decision-making in determining strategy.

- Facilitates sourcing documentation leading to decisions
- Satisfies federal mandates for assessing the commercial marketplace
- Supports “should cost/does cost” analysis

Step 3-Market Intelligence, (cont.)

□ **Executive Summary**

- Often considered the most important part
- Provides an overview of the Market Intelligence Report (MIR)

□ **Background (Problem Statement)**

- Description of what is addressed in this effort and the background

□ **Spend Analysis**

- Total spend
- Seasonality of spend, e.g. Year-end purchase surge
- Amount and percentage of small business

Step 3-Market Intelligence, (cont.)

□ **Implications from Strategic Sourcing Step 1**

- Scope of the initiative
- Stakeholder interests/concerns

□ **Implications from Strategic Sourcing Step 2**

- Identify current:
 - Prices
 - Acquisition process
 - Requirements
- Start risk documentation

Step 3-Market Intelligence, (cont.)

- **Requirements development**
 - Start with historical requirements
 - Incorporate requirements from market research
 - Ensure relevant, non-vendor specific requirements addressing fit, form, and function

Solid Draft Requirements

Step 3-Market Intelligence, (cont.)

- **Small business**

- Ensure NAICS is justified and documented
- Small Business Administration (SBA) establishes small business size standards by industry
- SBA's Maximum Practicable (MAXPRAC) Opportunity Analysis Model – identifies opportunities to increase small business participation

Maximize Small Business Participation

Step 4-Requirements Definition

- Validate current requirements with users
- Salient characteristics – Form, Fit, and Function
- Statutory and regulatory requirements
- Review same and similar project requirements
- Previous lessons learned
- Total Cost of Ownership
- Incorporate market research findings

Step 4-Requirements Definition, (cont.)

- **Review and update:**
 - Risk Document
 - Market Intelligence Report
 - Project Schedule
 - Communication Plan

Step 5-Sourcing Strategy

- **Develop**

- Acquisition Plan (AP)
- Draft RFP

- **Conduct the Acquisition Sourcing Panel (ASP)**

- **Communicate to stakeholders**

Step 5-Sourcing Strategy, (cont.)

- **Prepare, brief, and obtain approval of:**
 - ESIS (services)
 - MIRT, if applicable
 - Acquisition Strategy Panel
 - Acquisition Plan (A/P)
 - Source Selection Plan (SSP)

Step 6-Strategy Execution

- Involve Small Business Directors and SBA Procurement Center Representatives early in the process
- Consider hosting a virtual small business event

Step 6-Strategy Execution, (cont.)

□ **Before event**

- Scheduling
- Teleconference account setup & training
- Agenda design
- Marketing
- Registration
- Team member roles
- Video setup
- Audio setup
- Q & A planning

Step 6-Strategy Execution, (cont.)

- **Virtual Industry Day**
 - During the event
 - Audience engagement
 - Defense Collaboration System (DCS)
 - The team
 - After the event
 - Feedback survey
 - External communication
 - Internal communication
- **RFI of draft requirements**
- **Release final RFP**

Step 7-Performance Management

- Activities

- Conduct training for stakeholders
- Evaluate and report on program performance
- Identify improvement areas
- Identify type of supplier relationship needed
- Build and maintain that relationship

Tools

- Tools to access solutions
 - Market research & intelligence completed
 - SBA approval
 - Requirements defined
- Each decentralized ordering solution requires a mini competition

End Goals

- GOAL: Enable fact-based acquisition decisions
- Multi-functional team
- Provide business and market intelligence to acquisition teams and management at all levels
- Help characterize spend & marketplace, identity benchmarks.

Final Considerations

- Involve Small Business office and SBA early-on in the acquisition planning process
- Be sensitive to rules pertaining to consolidation and bundling
- Do not dismiss the value of small business teaming arrangements to accomplish requirements of larger requirements
- Remain vigilant to maintain SBA rules pertaining to individual socioeconomic categories



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"SBA Quick Reference:

Whom to Contact for What"



Dynamic Small Business Search

Welcome to the Dynamic Small Business Search

All search form hotlinks open a new browser window.

All form fields that require typing in data have "tooltips" with data format information.



NEW FEATURES FOR MOBILE USERS:
Phone number hotlinks can be used to dial the number on mobile phones.
Address hotlinks can be used to show the address in Google Maps.

This is generally a self-certifying database. The SBA does not make any representation as to the accuracy of any of the data included, other than certifications relating to 8(a) Business Development, HUBZone or Small Disadvantaged Business status. The SBA strongly recommends that contracting officers diligently review a bidder's small business self-certification before awarding a contract.

Location of Profile

States:

MA - Massachusetts
ME - Maine
MD - Maryland
MS - Mississippi
MI - Michigan
MN - Minnesota
MO - Missouri
MT - Montana
NE - Nebraska
NV - Nevada

(How to make multiple selections.)

Area Code or Phone Number Initial Fragment

Metropolitan Statistical Area [Help](#)

SBA Servicing Office [Help](#)

Zip Code or Zip Code Initial Fragment

Dynamic Small Business Search is
alive and well. Link:

http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm

Government Certifications

8(a) Certified or 8(a) Joint Venture

Small Disadvantaged Business

[> FirstGov](#) [> E-Gov](#) [> Regulations.gov](#) [> White House](#)

* Privacy & Security * Information Quality * FOIA * No Fear Act * ADA

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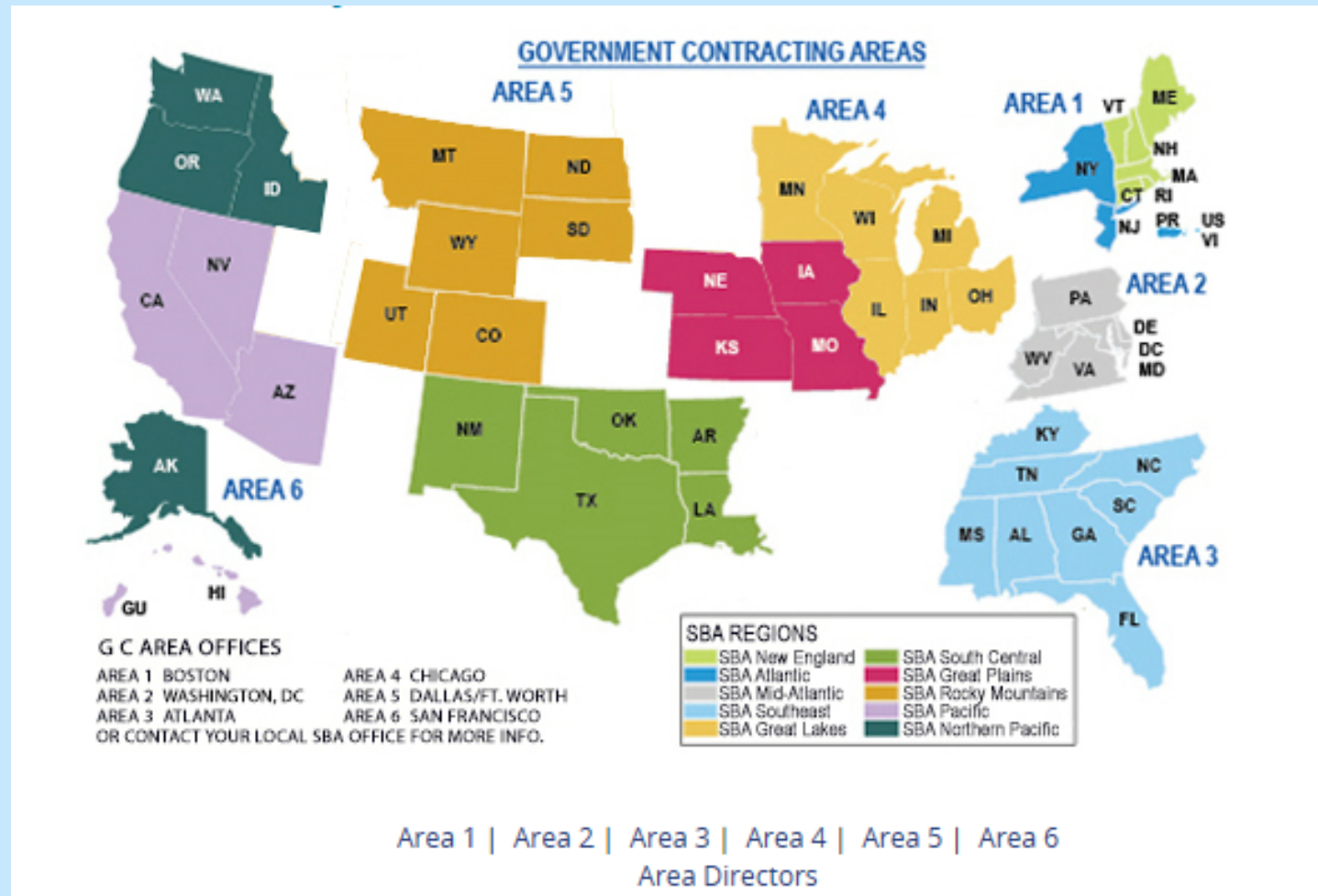
Summary of CFR regulations

SBA size regulations	13 CFR Part 121
HUBZone regulations	13 CFR 126.616
SBA Certificate of Competency	13 CFR 125.5
Service-disabled veteran	13 CFR 125.15(b)
8(a) and SDB regulations	13 CFR 124.513
Small disadvantaged business 124.1002(f)	13 CFR
WOSB Program	13 CFR 127
47 SBA Prime Contracting	13 CFR 125.2
SBA Subcontracting	13 CFR 125.3

FIVE TYPES OF SBA CONTACTS & OFFICES

- A. SBA Government Contracting Area Offices
- B. SBA Procurement Center Representatives (PCRs)
- C. SBA Commercial Market Representatives (CMRs)
- D. SBA District Offices
- E. SBA Headquarters

Six SBA Government Contracting Areas at <https://www.sba.gov/content/pcr-directory>



A. SBA Quick Reference - SBA Area Offices

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1. Size protests (with recertification) FAR
19.302
13 CFR 121.1001
13 CFR 121.1010

2. Locating nearest SBA staffer FAR 19.4

3. Certificate of Competency FAR 19.6

13 CFR 125.5

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4. COC Limitations on Subcontracting Compliance
FAR 19.601
13 CFR 125.6(f)

5. Receiving copies subcontracting plans
FAR 19.705-6

B. SBA Quick Reference SBA Procurement Center Representatives (PCRs)

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FAR 19.402 Small Business Administration

procurement center representatives. (a)(1) The SBA may assign one or more procurement center representatives to any contracting activity or contract administration office to carry out SBA policies and programs...

(2) If a SBA procurement center representative is not assigned to the procuring activity or contract administration office, contact the SBA Office of Government Contracting Area Office.....

(b) Upon their request and subject to applicable acquisition and security regulations, contracting officers shall give SBA procurement center representatives....access to all reasonably obtainable contract....

B. SBA Quick Reference SBA PCRs, cont.

1. SBA PCR coordination records FAR 19..501(b)

13 CFR 125.2

2. Small business set-aside appeals FAR 19.505

13 CFR 125.2(b)(7)

3. HUBZone set-aside appeals FAR 19.1305

FAR 19.1306

13 CFR 126.61

4. SDVOSB set-aside appeal FAR 19.1405

FAR 19.1406

13 CFR 125.22

5. Reporting bundling to SBA (MATOCs) FAR 19.202-1(e)(1)

13 CFR 125.2

6. SBA subcontracting plan reviews-copies

FAR 19.705-5(3)

13 CFR 125.2(b)(6)(iii)

FAR 19.705-6(c)

13 CFR 125.2(b)(6)(iii)(C)

7. SBA subcontracting program review FAR 19.707(4)

13 CFR 125.2(b)(6)(iii)(C)

8. Small business TFD FAR 49.402-3 (e)(4))

(Termination for default)

9. Surveillance review of agency contracting

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Small business coordination forms sent to SBA PCRs

	Agency	Form	Title
1	Commerce	CD 570	Small business set-aside review
2	Defense	2579	Small business coordination record
3	Energy	4220.2	Small Business Review form
4	GSA	2689	Small Business Analysis Record
5	HHS	653	Small business review form
6	Homeland Security	700-22	Small business review form
7	Interior	1886	Acquisition screening and review form
8	Labor	DL1-2004	Small Business Procurement Determination.
9	NASA	NF 1787	Small business review sheet
10	State	DS-1910	Small Business Clearance Form
11	Transportation	4250	Small Business Program Review Form
12	USDA	AD-1205	Small Business Program - Procurement Review
13	VA	2268	Procurement Request Review For Small Business...

Document that you have provided SBA Area Directors with copies of subcontracting plans

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19.705-6 Postaward responsibilities of the contracting officer. ...:

- (a) Notifying the SBA of the award** by sending a copy of the award document to the Area Director, Office of Government Contracting, in the SBA area office where the contract will be performed.
- (c) Giving to the SBA procurement center representative....a copy of—**
 - (1) Any subcontracting plan submitted in response to a sealed bid solicitation; and
 - (2) The final negotiated subcontracting plan that was incorporated into a negotiated contract or contract modification.
- (d) Notifying the SBA procurement center representative.... of the opportunity to review subcontracting plans in connection with contract modifications.**

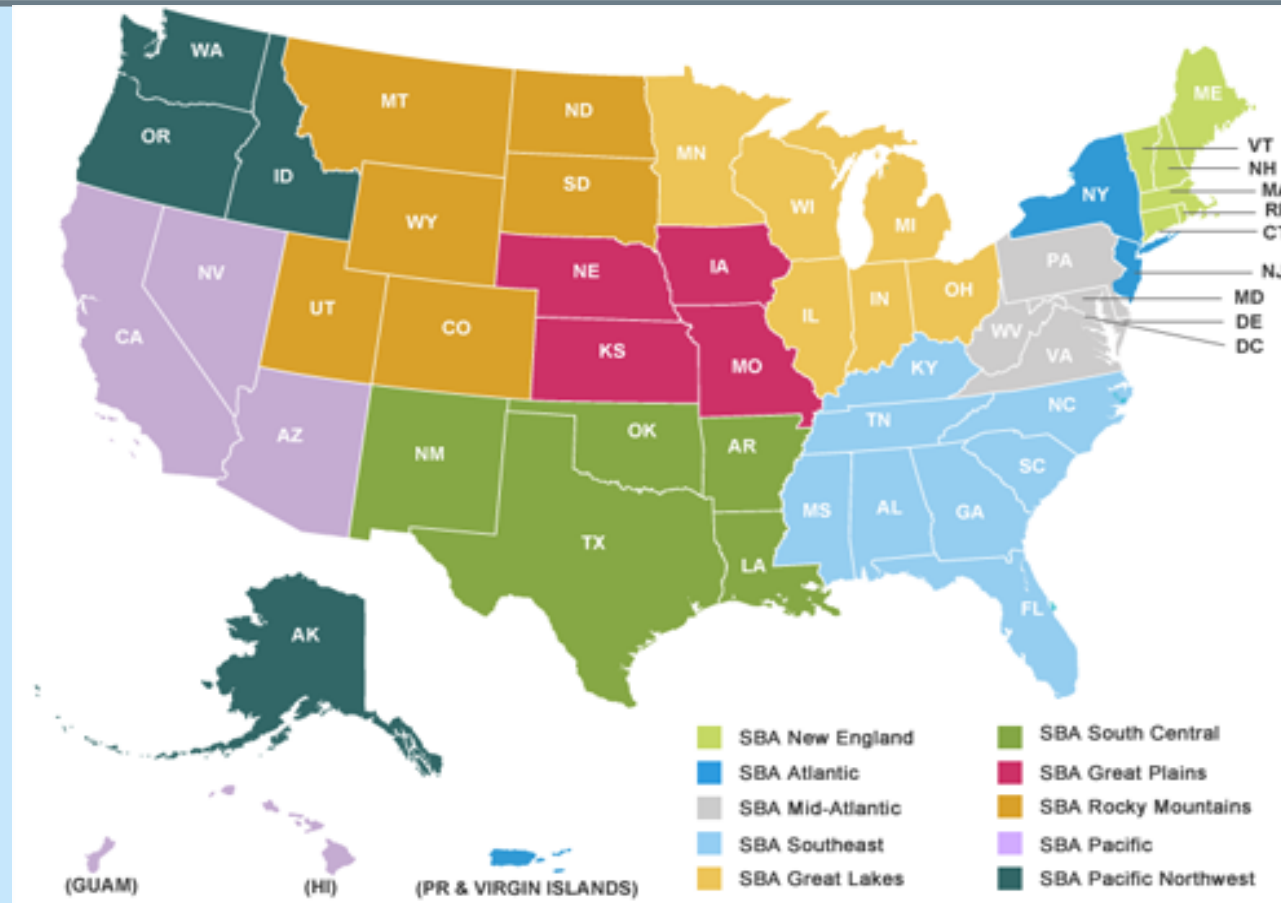
C. SBA Quick Reference - SBA Commercial Market Representatives (CMRs) link at: (<https://www.sba.gov/content/cmr-directory>)

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1. Prime contractor portfolio management 13 CFR 125.3
2. Reviews of subcontracting plan holders 13 CFR 125.3
3. Matchmaking 13 CFR 125.3
4. SBA SUB-Net link at: <http://www.sba.gov/content/sub-net>
5. SBA Subcontracting Opportunities Directory link at: <http://www.sba.gov/subcontracting-directory>
6. “SBLO Handbook” link at: <http://www.sba.gov/content/small-business-liaison-officer-handbook>

D. SBA Quick Reference – SBA Regional and District Offices

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Link to district offices at: <http://www.sba.gov/about-offices-list/3>

D. SBA Quick Reference - SBA District Offices, cont.

To locate SBA 8(a) servicing office, check Dynamic Small Business Search at the link: http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm and then local resources at the link <http://www.sba.gov/tools/local-assistance/districtoffices>

P0758535

Legal Structure:
Ownership and Self-Certifications: Tribally Owned Firm

Organization, Ownership & Certifications

Current Principals

1. Sharon Frenchman, Secretary
2. Winnebago Tribe of Nebraska, Owner

"Business Development Servicing Office" (for certifications)

NEBRASKA DISTRICT OFFICE (SBA office code 0766)

E. SBA Quick Reference - SBA Headquarters

1. HUBZone status protests FAR 19.306
13 CFR 126.801
2. NAICS code appeal FAR 19.30 3
13 CFR 121.1103
3. Non-manufacturer rule waivers FAR 19.102(f)(1)-(7)
13 CFR 121.1204
4. SDVOSB status protest FAR 19.307
13 CFR 125.23
- 58 5. WOSB Program status protest FAR 19.308/13 CFR
1275.600

FAR 19.102 (f): No class waiver to NMR? Check out an individual waiver*

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About SBA

SBA.gov » Contracting » For Contracting Officials » Non-Manufacturer Rule

Contracting

- ▶ Getting Started
- ▶ Contracting Support for Small Businesses
- ▶ Understanding the Federal Marketplace
- ▼ For Contracting Officials
 - HUBZone
 - ▼ Non-Manufacturer Rule
 - Non-Manufacturer Waivers
 - Class Waivers
 - Report Fraud, Waste & Abuse
- ▶ Protests
- OSDBU Directors Council
- Goaling
- Federal Acquisition Regulations (FAR)
- Certificates of Competency
- Procurement Center



The Non-Manufacturer rule allows a small business to offer a product that it did not manufacture under a small business set-aside if SBA has offered a waiver.



ARTICLE

Non-Manufacturer Waivers

Learn about Non-manufacturer waivers and the associated responsibilities of the contracting officer.



ARTICLE

Class Waivers

This table displays the Class Waivers for the SBA Office of Contracting Non-manufacturer Rule Class Waiver in effect as of January 1, 2015.

Need a Small Business Loan?



Need a Small Business Loan?

SBA LINC TOOL

Learn more | Close

LINC TOOL

SBA LINC TOOL

Connecting Small Business Borrowers with SBA Approved Small Business Lenders

LEARN MORE

Recent Blogs About Contracting:

How to Become a Small Business Government Contractor of Choice

Increasing Mentor-Protégé Opportunities for all Small Businesses

A. If you find no class waivers, an SBA individual waiver to the Nonmanufacturer Rule (NMR) may help you to achieve small business goals if*:

B. A WAIVER FOR A SET-ASIDE IS NOT NEEDED WHEN:

1. ONE SMALL BUSINESS MANUFACTURER:

*** SMALL BUSINESS SET-ASIDE**

2. SMALL BUSINESS MANUFACTURER, BRAND SPECIFIC OF ANY DOLLAR SIZE WITH FAR 6 JUSTIFICATION:

*** SMALL BUSINESS SET-ASIDE**

3. LARGE BUSINESS, BRAND SPECIFIC (OR BRAND EQUIVALENT) REQUIREMENT \$25,000 OR LESS WITH FAR 6:

*** SMALL BUSINESS SET-ASIDE**

C. GSA SCHEDULE: USE THE CLOSEST CODE LISTED ON THE SCHEDULE. THEN SAME AS ABOVE IF NO CLASS WAIVER.

D. EXCEPTION TO “NMR” IF PROCUREMENT \$25,000 OR LESS.

(FAR 19.102 (F)(7)(B))

NMR Program Office

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The preferred and most expeditious method for asking questions and submitting waiver requests is by e-mail to nmrwaivers@sba.gov